

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36005

KCVN, LLC AND COLORADO PACIFIC RAILROAD, LLC—FEEDER LINE
APPLICATION—LINE OF V AND S RAILWAY, LLC, LOCATED IN CROWLEY,
PUEBLO, OTERO, AND KIOWA COUNTIES, COLORADO

Digest:¹ The Board approves the purchase price and the closing terms that will apply to the sale of a rail line owned by V and S Railway, LLC, to Colorado Pacific Railroad, LLC.

Decided: December 18, 2017

On March 18, 2016, KCVN, LLC (KCVN), and its wholly owned subsidiary, Colorado Pacific Railroad, LLC (Colorado Pacific) (collectively, Applicants), jointly filed an application under the feeder line provision at 49 U.S.C. § 10907 for Colorado Pacific to acquire a rail line owned by V and S Railway, LLC (V&S), in southeast Colorado (the Line). The Line consists of approximately 121.9 miles of railroad line and approximately 12 miles of other tracks and facilities, between milepost 747.5, near Towner, and milepost 869.4, near NA Junction, in Pueblo, Crowley, Kiowa, and Otero Counties, Colo.

By decision served on July 31, 2017, the Board found that the application meets the statutory criteria for a forced sale under § 10907 and that Colorado Pacific is financially responsible and thus eligible to purchase the Line. The Board requested that the parties engage in Board-sponsored mediation to resolve the net liquidation value (NLV) of the Line and directed the parties to confirm by August 15, 2017, whether they agree to do so. Thereafter, both V&S and Applicants agreed to mediation. (V&S Letter 1, Aug. 10, 2017; Applicants Letter 2, Aug. 14, 2017.) The parties engaged in Board-sponsored mediation, and the mediation period closed on December 11, 2017.

On that day, Applicants and V&S filed a joint motion notifying the Board that they had reached an agreement on a NLV of \$10 million for the Line for purposes of this proceeding and

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

on closing terms applicable to the sale of the Line to Colorado Pacific. The parties request that the Board approve the NLV and closing terms that will apply to the sale of the Line.²

In light of the parties' agreement, the Board will grant the parties' request and will approve and incorporate here by reference the NLV and closing terms set forth in numbered paragraphs 1-8 on page 3 of the parties' December 11, 2017 joint motion.³

It is ordered:

1. The NLV and closing terms applicable to the sale of the Line set forth in numbered paragraphs 1-8 on page 3 of the parties' December 11, 2017 joint motion are approved and incorporated here by reference.

2. This decision is effective on its service date.

By the Board, Board Members Begeman and Miller.

² The parties have also entered into a confidential letter agreement addressing several other matters that are related to the sale, as well as to the parties' achievement of a final resolution of their dispute over the Line. Although the parties submitted that confidential letter agreement (under seal) with their joint motion, they do not request Board approval or endorsement of the matters set forth in it.

³ Given the record in this case, it does not appear that any further action under § 10907 is required.